



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: HEALTHY FAMILIES PROGRAM TRANSITION TO MEDI-CAL

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties of the changes to the Medi-Cal program due to the enactment of the 2012 Trailer Bill, Assembly Bill (AB) 1494, (Chapter 28, Statutes of 2012) on June 27, 2012. AB 1494 requires that the Healthy Families Program (HFP) end enrolling new children by December 31, 2012, and begin moving the HFP children into the Medi-Cal Program no sooner than January 1, 2013. The Department of Health Care Services (DHCS) will use the last HFP eligibility decision to give temporary Medi-Cal eligibility to these children. Granting temporary eligibility allows for a smooth transfer to Medi-Cal without the need to reapply for healthcare.

In order for the Medi-Cal program to accept the HFP children, AB 1494 added Section 14005.26 to the Welfare and Institutions (W&I) Code to expand the Medi-Cal Program to include the Optional Medically Needy Program for Targeted Low-Income Children. Under these provisions, DHCS will expand income up to 250 percent of the federal poverty level (FPL) by including an exemption of all resources and disregard income above 200 percent and up to and including 250 percent of the FPL.

AB 1494 also authorizes DHCS to implement a premium payment program pursuant to approvals of an amendment to the state plan of Section 1916A of the Social Security Act for children with incomes greater than 150 percent FPL. In accordance with Section 14005.27 of the W&I Code, premium amounts shall be equal to those based on the Healthy Families Program (HFP) discounted Community Provider Plan for children eligible under the new expanded group with family incomes above 150 percent and up to and including 250 percent of the FPL.

Effective Date

The transition of children from the HFP begins no sooner than January 1, 2013.
The expected completion date for transitioning HFP children to Medi-Cal is September 30, 2013.

Transition Phases

The chart below shows the proposed transition phases with the targeted completion date as defined by AB 1494.

Transition Phase	Start Date	Cases Transitioning
Phase 1	No sooner than January 2013	Individuals currently enrolled in a HFP health plan that is a Medi-Cal managed care plan will be enrolled in the same plan, unless they choose a different Medi-Cal Managed Care plan.
Phase 2	No sooner than April 2013	Individuals currently enrolled in a HFP health plan that is a subcontractor of a Medi-Cal Managed Care plan will be enrolled in a Medi-Cal managed care plan that includes the individual's current plan.
Phase 3	No sooner than August 2013	Individuals currently enrolled in a HFP plan that is not a Medi-Cal managed care plan and does not contract or subcontract with a Medi-Cal Managed Care plan will be enrolled in a Medi-Cal managed care plan in the county.
Phase 4	No sooner than September 2013	Individuals currently in a county that is not currently a Medi-Cal Managed Care county.

Aid Codes for the Title XXI, HFP Transitional Children

The transitioned children require two new aid codes for identification to continue their eligibility as full scope Medi-Cal until the county determines Medi-Cal eligibility. The county must perform the Medi-Cal determination within one year of the HFP annual eligibility review (AER) date in accordance with W&I Code Section 14005.27(c). Transitioned children remain in one of the new transition aid codes until either the child reaches the date of their HFP AER or there is a change in circumstance that warrants the county to make an eligibility determination for Medi-Cal.

New Aid Codes

Aid Code 5C: Provides no-cost, full scope, Medi-Cal coverage with no premium payment to children with family income at or below 150 percent of FPL during the transition period done by the State until the AER.

Aid Code 5D: Provides full scope Medi-Cal coverage with a premium payment to children with family income above 150 percent and up to 250 percent of the FPL during the transition period done by the State.

- Access for Infants and Mothers (AIM)-linked Infants

The HFP children's transition group includes AIM-linked infants at and below 250 percent of the FPL. These infants will also receive either aid code 5C or 5D. Infants above 250 percent FPL will continue as HFP enrolled infants in the AIM program.

Current Aid Codes

HFP children in **9H** and AIM-linked infants in **0C** remain in their aid code until it is time to transition to the Medi-Cal Program. Once it is time to transition to Medi-Cal, the HFP contractor sends transactions to the Medi-Cal Eligibility Data System (MEDS) to change the 9H or 0C aid code to 5C or 5D and update the HFP healthcare plan information to map to a Medi-Cal Managed Care healthcare plan or code for fee-for-service.

Example: Phase 1 transition occurs January 2013. Only children in Phase 1 receive aid code 5C or 5D and have their plan code switched. The remaining HFP children retain their HFP or AIM-linked aid code and health plan information until their respective transition phase. This allows counties time to process cases on a flow basis

Transitioning Children and Processing Case Information

The Managed Risk Medical Insurance Board (MRMIB) administers the HFP. The MRMIB administrative vendor is MAXIMUS. During each transition phase, MAXIMUS sends updates to MEDS with the appropriate aid code for each child. The updated aid code appears on the Special Program screen of MEDS (where the 9H HFP aid code appears). Once eligibility shows on MEDS, the county systems are ready to receive case information through electronic transfer from MAXIMUS. Counties will take control of the transitioned cases to complete the child's Medi-Cal determination either at the child's AER, a change in circumstance that warrants a Medi-Cal review of eligibility, or if the child is in an existing Medi-Cal case at the family Medi-Cal Redetermination (RV) that occurs sooner than the child's HFP AER.

A subsequent ACWDL that provides technical and system guidelines on how counties receive alerts and case records for HFP transitioned children from MAXIMUS,

MAXIMUS' role with premiums, county consortia interaction with MAXIMUS and MEDS will follow.

Premiums

Pursuant to AB 1494, W&I Code, Section 14005.26, DHCS shall exercise the option, pursuant to Section 1916A of the federal Social Security Act (42 U.S.C. Section 1396o-1) to impose premiums for individuals with family income above 150 percent and up to and including 200 percent of FPL. (Note: this includes the application of income disregard between 200 and 250 percent FPL.)

Based on current HFP income information and the business requirements of DHCS, the MAXIMUS Maxe² system determines which children have income above 150 percent FPL and assigns the aid code 5D. Children assigned 5D continue to pay premiums during their eligibility period until their next AER or a change in circumstance where the county must make a Medi-Cal determination. Once the county makes a Medi-Cal determination, these families will either continue with a lower premium or not pay a premium.

MAXIMUS, under contract with DHCS, maintains collection of premium payments and non-eligibility case information for tracking payments. If the county or beneficiary needs payment verification, the beneficiary may contact MAXIMUS directly for payment information. DHCS is working with MAXIMUS to develop a process for the county offices to verify payment information. A subsequent technical ACWDL on processes for premiums will follow.

Premium Collection

When a beneficiary misses a premium payment and falls behind in making their family contributions for thirty (30) calendar days, MAXIMUS sends an overdue reminder notice* to the family regarding payment due (monthly billing statement). The notice and billing statement specifies the amount past due, the payment date, and potential discontinuance language* for non-payment of premiums. If the beneficiary does not make a payment on the past due amount within an additional fifteen (15) calendar days, MAXIMUS sends an additional reminder notice, including a monthly billing statement, which identifies the amount past due, the payment due date, and potential disenrollment language. MAXIMUS shall also contact the beneficiary by telephone*, to remind them of the impending disenrollment, until the impending disenrollment date. MAXIMUS notifies the counties when the beneficiary has not paid premiums [for 60 days] and there was no response to the nonpayment notice from the beneficiary. When the counties receive the information from MAXIMUS, the county initiates the SB 87 process for the potential discontinuation to determine if there is eligibility for another Medi-Cal program. If the county determines there is no other eligibility for Medi-Cal other than paying a premium, the county discontinues with a timely notice for failure to pay.

Premium Collection for Aim-linked children

When a beneficiary misses a premium payment and falls behind in making their family contributions for thirty (30) calendar days, MAXIMUS sends an overdue reminder notice to the family regarding payment due (monthly billing statement). The notice and billing statement specifies the amount past due, the payment date, and potential discontinuance language for non-payment of premiums**. If the beneficiary does not make a payment on the past due amount for thirty (30) calendar days, MAXIMUS sends two additional reminder notices** at thirty (30) day intervals. Each additional reminder notice includes a monthly billing statement, which identifies the amount past due, the payment due date, and potential disenrollment language. MAXIMUS shall also contact the beneficiary by telephone**, to remind them of the impending disenrollment until the impending disenrollment date. MAXIMUS notifies the counties when the beneficiary has not paid premiums [for 90 days] and there was no response to the nonpayment notice from the beneficiary. When the counties receive the information from MAXIMUS, the county initiates the SB 87 process for the potential discontinuation of benefits to determine if there is eligibility for another Medi-Cal program. If the county determines there is no other eligibility for Medi-Cal other than paying a premium, the county discontinues with a timely notice for failure to pay.

*,** Notice and script language to follow in a subsequent ACWDL.

Continuous Eligibility and County Medi-Cal Determinations

Continuous Eligibility

The option to provide continuous eligibility for Medicaid and the State Children's Health Insurance Program (S-CHIP), (title XIX and XXI of the Act) is described in Section 1902(e)(12) of the Social Security Act.. Continuous eligibility is not specifically defined under S-CHIP however; CHIP programs do provide continuous eligibility. The HFP is California's (S-CHIP). The HFP follows the same federal rule of extending eligibility to children when there is a change that would make a child otherwise ineligible for S-CHIP.

1902(e)(12) of the Act permits states to implement a Continued Eligibility for Children period for certain children under an age specified by the state, but not to exceed 19 years of age. Continuous eligibility ends with the earlier of the time the individual exceeds the state-established age or the end of a period (not to exceed 12 months) following initial ongoing eligibility or the annual RV.

If the family Medi-Cal RV, or adding the child to the Medi-Cal case as an "add a child", results in a change that would otherwise move the HFP child to a Medi-Cal share-of-cost (SOC), premium payment, or program ineligibility, the child continues with no SOC Medi-Cal until his/her AER. In addition, just as with Medi-Cal, except for death, when a child reaches the age limit, loss of California residency, or the child/guardian or

representative of the child requests disenrollment, continuous eligibility also protects the child from nonfinancial reasons for discontinuance, even if those changes adversely affect other family members.

When the child reaches the end of their AER, the county may then notify the family that this child now has either the family SOC, family premium, or is now ineligible.

Medi-Cal Determinations

The timing of the Medi-Cal determination depends upon the individual circumstances of the child transitioning from the HFP. Some HFP children may already be in a Medi-Cal case with other family members. Others may not have any association with a Medi-Cal case.

- Transitioned HFP Child in an open Medi-Cal case with other family members

When a child in aid code 5C or 5D is also in an open Medi-Cal case with other family members and that case has a Medi-Cal RV date that occurs prior to the child's HFP AER date, the county may determine the Medi-Cal eligibility of the case and include the HFP child without waiting until the child's HFP AER date.

When a child in aid code 5C or 5D is also in an open Medi-Cal case with other family members and the child's HFP AER is prior to the Medi-Cal family's RV date, the county may add the child and evaluate the Medi-Cal case with the child as an "add a child" without having to wait for the Medi-Cal RV date. However, this does not mean that the county moves the Medi-Cal RV date. The case keeps its Medi-Cal RV date and the county does a redetermination for Medi-Cal at that time.

Example: Children transitioning to Medi-Cal in a case with other family members where the Medi-Cal RV date is before the child's HFP AER, the county does not need to wait for the HFP AER date. They may move the child into the Medi-Cal case at the Medi-Cal RV date.

Example: Children transitioning to Medi-Cal in a case with other family members where the Medi-Cal RV is after the child's HFP AER date, the county may add the HFP child to the Medi-Cal case at the HFP AER as an "add a child" and then process the Medi-Cal RV at the appropriate time.

- Transitioned HFP Child with a closed or no Medi-Cal case

If a child in aid code 5C, 5D, or 0C does not have a Medi-Cal case; the county is not required to take an action until the HFP AER date. At the HFP AER date, the county will open a Medi-Cal case and determine if the child is Medi-Cal eligible.

- Transitioned HFP Child with Medi-Cal Determined by Another Program or Agency

There may be situations where the county Medi-Cal eligibility worker does not have control of the child's Medi-Cal case due to eligibility for Medi-Cal being determined by another agency such as a Social Security Administration for Supplemental Security Income/State Supplemental Payment (SSI/SSP) or the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The counties should address these scenarios as follows:

- SSI/SSP

Example: Child has SSI. No other family members have Medi-Cal. There is no open case. In this example, the Social Security Administration has responsibility for any redeterminations of eligibility. The county may terminate the transition aid code because the child has full scope no SOC Medi-Cal.

- CalWORKs

Example: Mom and Child have no-cost Medi-Cal through CalWORKs and the Child transitions from HFP to Medi-Cal (Mom applied for HFP for her child prior to applying for CalWORKs):

CalWORKs annual redetermination for Child:	November
HFP annual eligibility review date for Child:	July

In this example, the mother applied for HFP benefits for her child prior to the county approving the case as eligible for Medi-Cal through CalWORKs. The child has an HFP AER in July. The child transitions to Medi-Cal in January. Since the CalWORKs RV date occurred prior to the transition, the county may process the child as an "add a person" to the Medi-Cal case in January and reevaluate the case with the new member. The next CalWORKs annual RV date for the entire family is November 2013. CalWORKs conducts future eligibility redeterminations.

Notices

Transition Notices

Prior to each phase of the transition, DHCS and MRMIB shall mail notifications to the families affected. Those transitioning in Phase 1 receive notification at least 60 days

prior to transitioning and 30 days before the transition. Those transitioning in phases 2, 3, and 4 receive notification at least 90, 60, and 30 days prior to the transition phase.

Transitioning children receive Medi-Cal welcome packets and benefits identification cards in the month prior to each transition. Those individuals in a managed care plan will also receive information from their health plans.

RV Notices - MRMIB and the County

MRMIB sends their HFP children AER packet 60 days in advance. Therefore, if a child transitions in a phase and that child has an AER date in that phase the HFP will send notices to those children. If the HFP began an RV either prior to or during the transition of a child, HFP continues and completes the RV before transitioning the child to Medi-Cal.

When it is determined that a child will be eligible for Medi-Cal with a premium payment, the appropriate Notice of Action (NOA), such as the MC 239 V, should include the following language:

The child(ren) listed on this notice must pay a monthly premium in order to remain eligible for Medi-Cal. The monthly premium for a child is determined by income. You will receive another notice informing you of the monthly premium amount you must pay and your payment options.

When it is determined that a child will be discontinued from Medi-Cal for failure to pay premiums, the appropriate NOA, such as the MC 239 A, should include the following language under "The reason for this discontinuance is":

Premiums have not been paid for the child named above and after case evaluation, the child has not been found eligible for any other program. Therefore, Medi-Cal will be discontinued. Call your worker right away if you wish to pay the premiums and remain eligible for Medi-Cal.

Refer to ACWDL 12-XX for details on new aid codes

Welcome Packet

DHCS intends to send a welcome packet to HFP families that are transitioning children to the Medi-Cal Program prior to the phase of their transition.

The following is a list of the proposed contents of the welcome packet.

- PUB 68, Medi-Cal What It Means To You
<http://www.dhcs.ca.gov/formsandpubs/publications/Documents/PUB68.pdf>
- MC 003 EPSDT program information
<http://www.dhcs.ca.gov/formsandpubs/forms/Forms/mc003information%20notice0607.pdf>
- MC 219, Important Information for Persons Requesting Medi-Cal
<http://www.dhcs.ca.gov/formsandpubs/forms/Forms/MC%20219.pdf>
- Multilingual notice – request for assistance.
<http://www.dhcs.ca.gov/formsandpubs/forms/Forms/MC%204034.pdf>
- Important Information about dental benefits and
- A list of counties with telephone office contact information for Medi-Cal inquires.

Reporting

AB 1494 requires the counties to report to DHCS, in a manner and for a time period prescribed by DHCS as follows:

- 1.) The number of applications and annual RV forms processed on a monthly basis;
- 2.) A breakout of the applications and annual RV forms based on the income using the federal percentage of poverty levels;
- 3.) The final disposition of each application and RV form, including information on the approved Medi-Cal program, if applicable, and;
- 4.) The average number of days it took to process annual RVs and applications submitted directly to the county and from Single Point of Entry.

DHCS will also provide guidance and instructions on performance standards that will be released separately from this letter.

Contacts

If you have any questions concerning this letter or require additional information pertaining to deemed eligibility of children, please contact Ms. Sherilyn Walden at (916) 552-9472 or by email at Sherilyn.Walden@dhcs.ca.gov or Ms. Karen Hajek at (916) 324-0186 or by email at Karen.Hajek@dhcs.ca.gov.

All County Welfare Directors Letter No.:
Page 10
Date

Azadeh Fares, Acting Chief
Medi-Cal Eligibility Division

DRAFT